evaluationassociates®
A Milliman Company

Market Review – 1st Quarter 2007

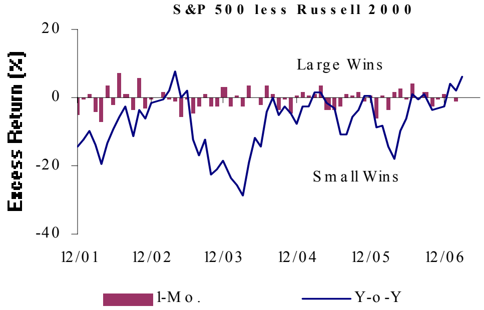
U.S. ECONOMIC BACKGROUND

The U.S. economy experienced several challenges during the first quarter including continued housing concerns, a subprime mortgage calamity, and rising oil prices. The final reading of fourth quarter GDP was reported at 2.5%, a percent lower than the initial calculation with slower growth trends in housing and manufacturing. The housing market has been plagued by subprime default fears, raising the prospect of a prolonged economic slowdown. However, inflationary pressures could make it tougher for the Fed to lower rates should housing or some other event cause the economy to stumble. Overall inflation, as measured by CPI, rose by a modest 0.4% in February. Yet core inflation (ex-food & energy) has risen 2.7% over the past 12 months, which is higher than preferred. The Fed left rates unchanged (5.25%) during the quarter with strong consumer spending and a steady unemployment rate (4.5%).

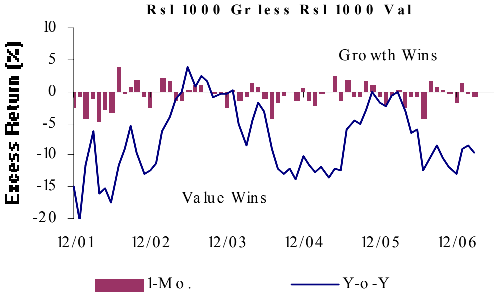
U.S. Equity Returns (%)

	1 Mo.	3 Mos.	12 Mos.
S&P 500	1.12	0.64	11.83
S&P 400	1.35	5.80	8.44
Russell 1000 Growth	0.54	1.19	7.05
Russell 1000 Value	1.55	1.25	16.81
Russell 2000	1.07	1.95	5.89
Russell 2000 Growth	0.92	2.47	1.56
Russell 2000 Value	1.21	1.46	10.39
NASDAQ Composite	0.29	0.44	4.23

Large Cap vs. Small Cap
S&P 500 less Russell 2000



Growth vs. Value
Rsl 1000 Gr less Rsl 1000 Val



S&P Sector Returns (%)

	1 Mo.	3 Mos.	12 Mos.
Financial	-0.74	-2.84	12.23
Utilities	4.10	9.26	33.73
Energy	6.11	2.14	16.41
Industrials	0.89	1.10	7.15
Materials	1.90	8.96	20.32
Healthcare	0.28	1.05	7.32
Consumer Staples	1.87	2.16	15.33
Consumer Discretionary	-0.49	-0.73	14.13
Information Tech	0.57	-0.94	3.01
Telecom Svcs	3.94	7.28	28.26

U.S. EQUITY MARKETS

- Housing and mortgage defaults remain among the biggest topics of discussion in the domestic equity marketplace, alongside the volatile price of energy, inflation fears, and the direction of future interest rates. Most agree that the domestic economy is growing at a slowing pace, which aligns itself with a similar backdrop on corporate profits – strong, but decelerating. Oil prices crept back up past $65 per barrel at quarter end, and the market was forced to endure a market plunge in February influenced by a sharp decline in the Chinese market. The one day correction wiped out virtually all of January's gains, but the market rebounded in March to help most domestic equity indices finish the quarter in positive territory. For the quarter ending March 30, 2007, the S&P 500 Index was up 0.64% while the NASDAQ Composite gained 0.44%, though smaller capitalization indices were up significantly more.

- All domestic equity style categories rose in the quarter though it was the mid cap stocks (Russell MidCap Index: +4.37%) that proved to be the most fertile segment of the market, followed by small caps (+1.95) and large caps (+1.22). Mid caps are starting to exhibit strength as they have now beaten their small cap counterparts for the third straight month. Though smaller stocks have led the stock market's advance during the last six years, the consensus appears to be that we are now in a slower growth environment, which typically does not bode well for smaller cap issues.

- Value outperformed growth in large caps and mid caps while growth beat value in small caps. The disparity between styles was somewhat muted during the month across the market cap spectrum. The largest gap was in the small cap space where the Russell 2000 Growth outperformed its value counterpart by roughly 100 basis points (+2.47% vs. +1.46%), followed by mid value outperforming mid growth by 91 basis points (+4.86% vs. +3.95%) and large value outperforming large growth by 6 basis points (+1.25% vs. +1.19%).

- Seven of the ten GICS sectors posted positive returns during the quarter with Utilities (+9.26%), Materials (+8.96%), and Telecom (+7.28%) leading the way. Utility stocks had the largest impact on the S&P 500's positive return as twenty-nine of the thirty-two related stocks advanced. Materials was driven by double-digit gains in construction materials and metals stocks, with Dow Chemical (+15.75%) a major contributor. Telecom stocks such as AT&T (+11.45%), Qwest (+7.41%) and Verizon (+2.95%) also did well, while a number of Information Technology names (Yahoo, Corning, Qualcomm, and Apple) rose on hopes of a return to corporate spending and were among the best contributors to the overall Index return. Within Energy, Valero Energy posted a strong return (+26.33%) along with Schlumberger (+9.71%) as commodity prices increased from recent lows. Financials suffered the most as fifty-two of the eighty-seven related stocks in the S&P 500 Index posted negative returns. Within the sector, Merrill Lynch (-11.95%), Citigroup (-6.92%), and Bank of America (-3.39%) had the greatest negative impact for the quarter as a result of troubles in the subprime mortgage market.

U.S. FIXED INCOME MARKETS

- The Federal Reserve kept interest rates unchanged at 5.25% but shifted its policy stance from tighter to neutral on mixed economic data. Strong consumer spending coupled with above-target inflation and weak business spending kept policy makers on hold. During the quarter, interest rates declined across most maturities as risk aversion caused by subprime market worries led investors into the relative safety of Treasuries. Rates on the wings of the yield curve increased by 2-3 bps while rates in the belly of the curve declined by 15-23 bps in anticipation of Fed easing sometime later this year. At quarter end, the yield curve remained inverted with a slope of -19 bps, as measured by the difference between the 3-month and 30-year Treasury. Swap spreads widened by 7-8 bps on a weakening of economic measurements and increased volatility and risk aversion. At quarter end, swap spreads on the 2-, 5-, 10- and 30-year maturities were 42 bps, 45 bps, 53 bps, and 54 bps, respectively.

- The Lehman Aggregate Index returned 1.50% in the first quarter with returns driven by weak economic measurements and a bout of risk aversion in February. Intermediate securities led returns as the yield curve steepened. The Credit sector returned 1.51%, or 1 bp above Treasuries, as volatility increased on strength in employment and consumer spending offset by higher oil prices and a slowing of earnings growth. The Baa segment was the strongest quality segment generating a return of 1.79%, or 31 bps excess while the A and Aa segments lagged with returns of 1.38% and 1.26%, respectively. Cyclical industries and those associated with housing and subprime lending lagged overall. U.S. Agencies returned 1.46%, 4 bps below comparable duration Treasuries, and the U.S. Government/Credit Index returned 1.47%, or -1 bps excess.

- The securitized sectors led investment grade returns for the quarter on an absolute basis, returning 1.56%, or -3 bps versus comparable duration Treasuries. Within the segment, Mortgage-Backed Securities (MBS) performed best, returning 1.57%, on par with comparable duration Treasuries. After an increase in volatility and prepayment concerns in February, volatility declined in March, helping to bolster returns. Widening of swap spreads and concerns over subprime lending weighed on credit-related securitized sectors. The Commercial Mortgage-Backed Security (CMBS) sector returned 1.50%, or -18 bps versus comparable duration Treasuries while Asset-Backed Securities (ABS) returned 1.41%, or -9 bps excess.

- The Merrill Lynch High Yield Master II Index had a strong first quarter, returning 2.72% on strong equity performance in January and bargain hunting after February's global market rout. Lower quality issues continued to dominate with the CCC-rated segment returning 4.37% while the B and BB segments returned 2.82% and 1.87%, respectively. Most industries generated positive returns while issuers in the Building & Construction industry had the worst performance, returning -1.69% as a group on concerns that tighter lending standards will cut further into the already weak housing market. At the end of the first quarter, the index yield-to-worst was 7.61%.

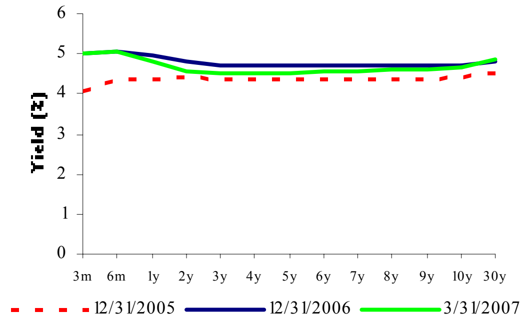
- The Lehman Brothers Municipal Bond Index returned 0.81% during the quarter, responding to a decline in interest rates. The shorter duration Pre-refunded segment had the best return (+0.92%) as rates declined more sharply on the short end of the yield curve. Within the remaining bond segments, Revenue bonds returned 0.85%, followed by Government Obligation bonds (+0.79%) and Insured bonds (+0.76%).

- U.S. TIPS returned 2.51% during the quarter beating nominal Treasuries by 106 bps on a decline in real yields and a widening of breakeven rates. TIPS are quite sensitive to changes in real rates and also benefit from an increase in the market's expectation for inflation. Breakeven spreads on the 10-year maturity widened by 14 bps to 2.44%.

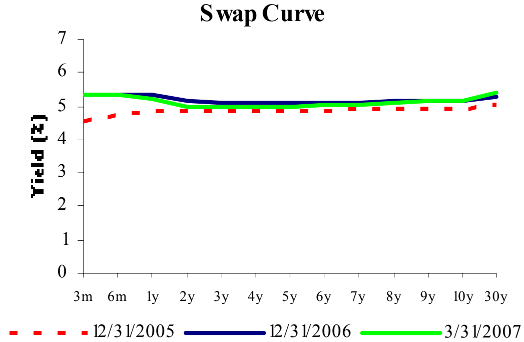
U.S. Fixed Income Returns (%)

	1 Mo.	3 Mos.	12 Mos.
LB Aggregate	0.00	1.50	6.59
LB US Government	0.03	1.44	5.93
LB US Credit	-0.48	1.51	7.08
LB Mortgage Backed	0.26	1.57	6.94
LB Asset Backed	0.27	1.41	5.91
ML US HY Master II	0.23	2.72	11.61

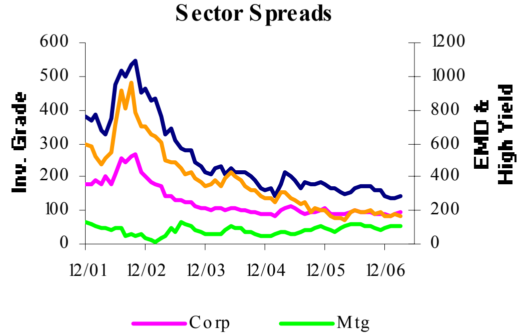
Treasury Yield Curve



Swap Curve



Sector Spreads



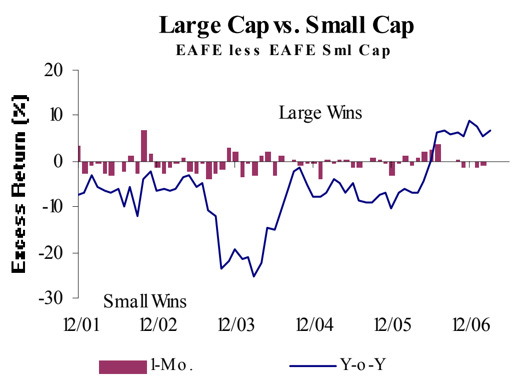
Source: Citigroup

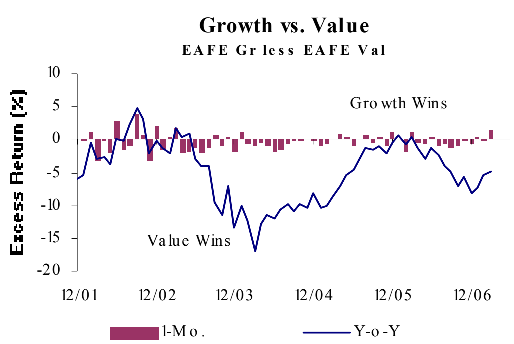
NON-U.S. ECONOMIC BACKGROUND

Economic conditions across the globe were relatively positive during the quarter, but concerns over the future of economic growth in the U.S., fallout from the subprime lending market, and a correction in China's domestic equity markets were catalysts for a global sell-off in late February and early March. Despite the downward revision to 4th quarter GDP in the U.S. and somewhat frothy markets in some parts of the world, economic growth is picking up elsewhere. For 2006, growth came in at 2.3% in Japan, 3.0% in the U.K., 3.7% in Germany, 3.3% in the overall Eurozone, and 10.4% in China. Much of Europe witnessed central bank tightening during the quarter, as did Japan which raised rates for the second time in a year. This contributed to the recent sell-off because of its influence on the carry trade, but rate differentials between Japan and elsewhere remain fairly wide and few are expecting the Bank of Japan to move rates much higher in 2007.

MSCI Non-U.S. Equity Returns ($)

	1 Mo.	3 Mos.	12 Mos.
EAFE	2.55	4.08	20.20
AC World Free Ex-US	2.82	3.83	20.29
Japan	-1.32	3.52	3.00
Pacific Ex-Japan	4.59	7.35	33.19
United Kingdom	3.32	3.01	24.25
Europe Ex-UK	3.78	4.30	25.93





MSCI EAFE Sector Returns ($)

	1 Mo.	3 Mos.	12 Mos.
Financial	1.25	2.31	18.12
Utilities	3.74	4.48	41.31
Energy	5.07	-0.50	8.62
Industrials	3.09	8.95	22.76
Materials	5.89	10.46	28.29
Healthcare	0.34	1.52	13.01
Consumer Staples	5.38	8.10	33.19
Consumer Discretionary	2.42	4.78	19.92
Information Tech	2.08	-0.26	3.31
Telecom Svcs	-0.66	1.46	31.78

NON-U.S. EQUITY MARKETS

- The first quarter was a volatile period for equities with the MSCI EAFE Index gaining 4.1% in dollar terms and 3.3% on a local currency basis. Despite a soft start in the first 10 days of the year, the EAFE Index was up 5.4% year to date before experiencing a broad based decline triggered by a sell-off in China. The EAFE Index fell 3.7% over the final two trading days of February and 6.5% in total before bottoming on March 14. However, markets rallied and the Index gained 5.7% during the second half of March, recouping nearly all of its losses by quarter's end. The MSCI EAFE Growth Index gained 4.9% during the quarter while the EAFE Value Index was up only 3.2%. Growth stocks, which were slightly ahead of value stocks heading into the decline, also performed better during the sell off (+50 bps) and in the subsequent rally (+80 bps). In terms of market capitalization, small cap stocks were the best performing segment of the foreign equity market. The MSCI EAFE Small Cap Index, which was up 8.1% at the peak, fell only 5.7% during the decline. Small caps rallied 5.1% in the latter half of March and closed the quarter with a gain of 7.1% (+6.3% locally). On a sector basis, Materials (+10.5%), Industrials (+8.9%), and Consumer Staples (+8.1%) generated strong gains while Energy (-0.5%) and Info Tech (-0.3%) were the only sectors to lose ground.

- The MSCI Europe Index gained 3.9% in dollar terms and 3.4% on a local currency basis. Finland (+10.4%) was the top-performing market in the region as shares of cellular giant Nokia rose 12.4%. Germany gained 6.8% (+5.8% locally), outpacing the Index amid strong gains by DaimlerChrysler (+32.4%) and several stocks in the Materials and Industrials sectors. Daimler shares gained on news the carmaker would be interested in selling off the Chrysler unit. Spain increased 4.4% (+3.5% locally) as mixed performance by banks was offset by strength in the Utilities and Industrials sectors. The U.K. gained only 3.0% (2.8% locally) as the Energy sector weighed heavily on the Index. However, performance was mixed across much of the market as the Financials and Telecom sectors also generated weak performance due to declines in companies like HSBC (-2.3%) and Vodafone (-4.0%). France also lagged the benchmark as stocks there gained only 2.8% (+1.9% locally). Despite solid gains by French steelmaker Arcelor Mittal (+26.3%) and Staples stock Carrefour (+20.3%), performance suffered due to losses by Alcatel (-18.4%), Sanofi (-6.1%), and Total (-3.1%). In other areas, Ireland -0.9% (-1.9% locally) and Italy +0.9% (-0.1% locally) were the only European countries to suffer local market declines.

- The MSCI Pacific Index gained 4.6% in dollar terms, but only 3.4% in local currencies. Japan gained 3.5% (+2.6% locally) as Japanese car makers like Toyota (-3.5%), Honda (-11.4%), and Nissan (-9.9%) were stung by concern over strength in the yen. Japanese financials were also a drag on performance in the wake of the Bank of Japan's rate increase. Australia gained 9.2% in U.S. dollar terms, but only 6.6% locally as the Aussie dollar gained more than 2% in March alone. Australia benefited from strength in the Materials sector, including a 22% surge in shares of BHP Billiton. In other areas, Singapore gained 10.3% while Hong Kong increased only 0.5%.

EMERGING EQUITY MARKETS

- The MSCI Emerging Markets Index gained 2.3% on both a U.S. dollar and local currency basis during the quarter. While the developed markets didn't bottom until mid-March, the emerging markets sold off quickly, shedding more than 10% over a five-day period in late February and early March. The decline was triggered by a correction in the Chinese domestic stock market, but it was more related to macroeconomic risks in the U.S. and elsewhere rather than any change in the fundamentals within the emerging markets. Although these countries have experienced dramatic economic and market improvements in the last several years, the emerging markets are inherently a riskier segment of the equity market and thus susceptible to sharper price movements than in the developed markets. Within the broad index, Materials (+13.0%) was the top-performing sector followed by Industrials (+9.6%). However, these gains were offset by losses in the Energy and Info Tech sectors of about 4.8%.

- Latin America was the top-performing region within the emerging markets as the Latin America Index gained 6.1% (+4.4% locally). Brazil, the largest country within the regional index, gained 6.2% in dollar terms, but only 1.8% on a local currency basis. Brazil's index was bolstered by strong gains in iron ore producer CVRD (+25.0%) as Petrobras (-0.1%) and the banking sector posted negative returns during the quarter. Mexico gained 5.9% in dollar terms and 7.7% locally amid gains by Telecom companies Telmex (+19.2%) and America Movil (+6.6%). However, these gains were somewhat offset by losses in Cemex (-2.7%) and Walmex (-2.5%). In other areas, Peru gained 25.0% on strength in the metals and mining sector, while Argentina lost 2.3%, mainly because of a 6.3% decline in shares of Tenaris.

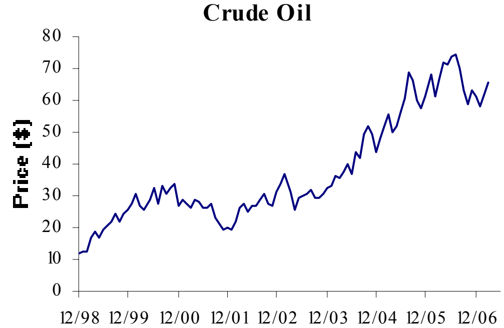
- Emerging Europe and the Middle East lagged the broader index with a gain of only 1.8% (+1.2% locally). The index was bolstered by gains in the Middle East, namely Israel (+10.9%), which itself benefited from a 19% rise in the shares of Teva Pharmaceuticals. The Emerging Europe Index rose only 0.4% in dollar terms, but lost 0.1% on a local currency basis. Russia fell 3.0% (-3.2% locally) as the country was hit hard by losses in the Energy sector, including losses by index heavyweight Gazprom of more than 9%. Another drag on relative performance was Hungary, which fell 2.5% (-5.0% locally). Poland gained 9.0% (+8.8% locally) amid a fairly broad rally in stocks while the Czech Republic rose 6.0% (+6.9% locally). In other areas, Turkey gained 14.7% (+12.3% locally) on gains in the banking sector, while South Africa increased 7.1% in dollar terms and 10.2% locally. South Africa benefited from a reasonably good market overall, but especially from gains by metal and mining companies.

- The Emerging Asia Index rose only 0.25% (+0.65% locally) during the quarter amid weak performance in areas such as China, India, Indonesia and Taiwan. China, which over the course of five days fell 13% from its peak, ended the quarter with a loss of only 2.3% (-1.8% locally). After surging in the final quarter of 2006, some of China's largest companies like China Life (-15.8%) and PetroChina (-16.3%) produced weak performance in the first quarter. India fell 3.4% (-5.1% locally) as stocks there began coming off their highs even before the broader market's sharp correction. The decline in Indian stocks was reasonably broad although the market benefited from a gain in Reliance Industries of nearly 11%. Taiwan fell 3.2% (-1.7% locally) as Info Tech companies were weak performers during the quarter. Korea gained 3.0% (+4.2% locally) as gains in Kookmin Bank (+16.2%) and Posco (+29.0%) were offset by an 8% loss in Samsung. In other areas, the Philippines (+8.9%) produced good stock gains during the quarter, while the Thai baht was responsible for much of Thailand's 3.5% increase.

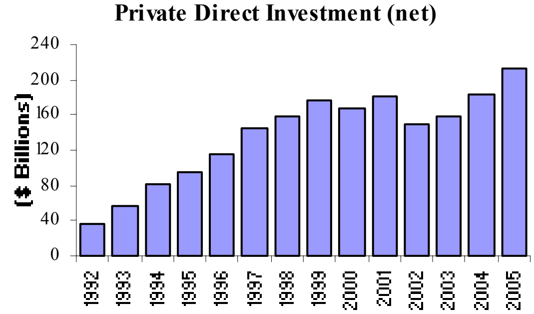
MSCI Emerging Market Equity Returns ($)

	1 Mo.	3 Mos.	12 Mos.
EM	4.02	2.35	21.03
Latin America	7.15	6.07	31.56
Asia	2.13	0.25	21.79
Europe & M. East	5.13	1.84	15.24
South Africa	6.36	7.11	9.42

Crude Oil



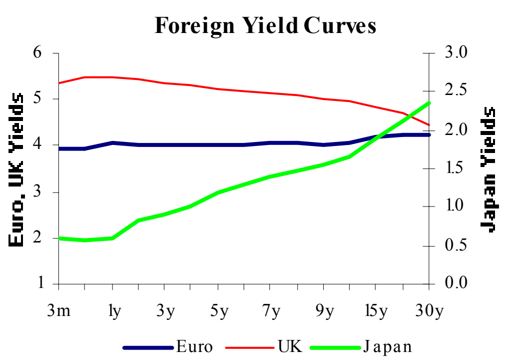
Emerging Market Private Direct Investment (net)

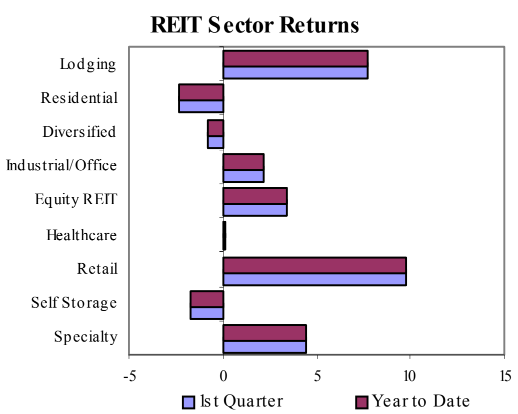


Source: IMF

Global Fixed Income Returns (unhedged, $)

	1 Mo.	3 Mos.	12 Mos.
WGBI	0.22	1.14	7.76
United States	-0.07	1.42	5.85
Europe	0.15	0.82	12.19
Japan	0.43	1.46	2.09
United Kingdom	-1.05	-0.65	13.46
World BIG Ex-US	0.31	1.14	9.31
WGBI Non-U.S.	0.30	1.09	8.32
Agencies Ex-US	0.36	1.18	11.97
Collateralized Ex-US	0.46	1.35	12.40
Corporates Ex-US	0.28	1.38	13.01
EMBI+	1.14	2.51	11.35





Source: NAREIT Equity Index

NON-U.S. FIXED INCOME MARKETS

- The Bank of England held rates at 5.25% at its most recent meeting after raising rates in January on a slowing in housing data and a market that was roiled in late February on investor risk aversion. Interest rates rose during the quarter on expectations of another hike later in the year. Rates rose by 21-31 bps on the short end of the curve and by 20-23 bps on the long end, causing the curve to invert further to a slope of -92 bps. Elsewhere, the European Central Bank (ECB) raised rates by 25 bps to 3.75% in March in an effort to curb inflation. ECB guidance had a definitive hawkish tone, which increased expectations of a further rate increase. During the quarter, short rates rose by 12-30 bps and long rates rose by 10-19 bps, causing the curve to flatten to a slope of 31 bps. The Bank of Japan (BOJ) raised rates by 25 bps to 0.50% in February and then held steady to gauge the effect of the increase. Both short and long rates rose slightly during the quarter while intermediate rates fell. The yield curve ended the quarter with a slope of 176 bps.

- The Citigroup World Government Bond Index (WGBI) returned 1.14% for the quarter on an unhedged basis. Volatility was introduced into the market with an increase in Central Bank tightening followed by a global flight to quality, which interestingly, did not include the usual strength in the U.S. dollar. Most global bond markets posted positive returns for the quarter, with Australia (+3.85%), Singapore (+2.85%) and Norway (+2.00%) leading performance. Sweden had the worst relative performance (-2.04%) because of currency weakness versus the U.S. dollar. Switzerland (-0.70%) and the U.K. (-0.65%) also had negative returns. The U.S. dollar weakened versus most major currencies during the quarter on tepid economic growth.

- The J.P. Morgan EMBI+ Index returned 2.51% for the quarter as solid fundamentals more than offset the market's changing risk appetite. All regions had positive returns, led by Latin America at 3.18% where domestic demand and high commodity prices drove returns. Africa, Europe, and Asia returned 2.53%, 1.76%, and 1.03%, respectively. The largest Index components at quarter end were Brazil (22%), Russia (16%), Mexico (13%), and Turkey (11%).

REAL ESTATE (REITs)

- U.S. real estate securities gained 8.42% in January according to the FTSE/NAREIT Equity REIT Index, continuing the strong performance trend of 2006. However, weak performance from the Residential and Office sectors in February and March reduced the gain to 3.46% for the first quarter of 2007, considerably less than the 14.70% gain over the first quarter of 2006.

- Retail led all major sectors of the Index gaining 9.80% for the quarter, driven mostly by the performance of the Regional Malls component which earned a very strong 13.85% during the period. Lodging (+7.74%) and Specialty (+4.47%) also performed well during the quarter. Although the Residential sector was strong initially, up 9.34% in January, weak performance in both February (-7.03%) and March (-3.95%) helped drag the broader Index down. Residential ended the quarter down 2.36%. The Industrial/Office sector fared somewhat better, ending in positive territory during the quarter (+2.15%). March was a particularly difficult month as almost every sub-sector of the Index generated negative total returns; Free Standing Retail (+1.46%) and Lodging (+2.76%) were the only exceptions.

- Global real estate securities, as represented by the FTSE/EPRA NAREIT Global Real Estate Index (in U.S. dollars), outperformed U.S. REIT securities, up 6.22% for the quarter. The Asia component of the Index led all regions with a strong 11.21% total return for the quarter, as the European (+2.94%) and North American (+3.98%) regions showed more modest performance during this period. For the global Index, the average dividend yield for the quarter stood at 2.67%.

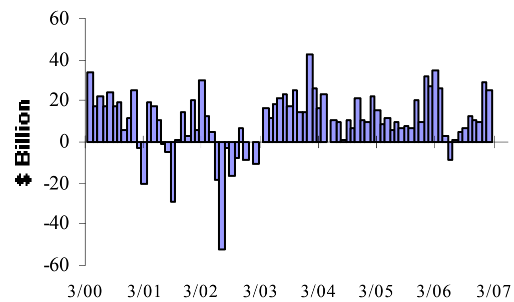
MUTUAL FUNDS

- The combined assets of U.S. mutual funds increased by $194 billion to $10.61 trillion in January and February of 2007. Investors added nearly $97 billion to stock funds. Among stock funds, world equity funds (U.S. funds that invest primarily overseas) posted an inflow of $37 billion while domestic funds had an inflow of $17.8 billion. Hybrid funds witnessed inflows of roughly $3.5 billion while taxable bonds had inflows of $42.2 billion. Municipal bonds added $8.5 billion and money market funds had an inflow of $43.2 billion.

EXCHANGE TRADED FUNDS

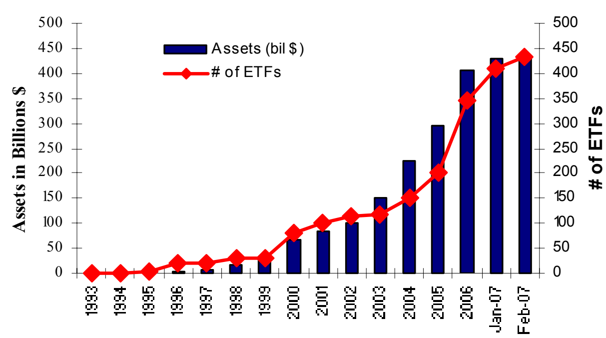
- Total assets for exchange-traded funds (ETFs) were $433.4 billion in February according to Investment Company Institute (ICI). At the end of February there were 432 ETFs – 331 domestic equity, 87 international equity, and 14 bond index funds. Assets of all ETFs rose in January and February by $10.85 billion. Investors added nearly $3.98 billion to domestic equity, $5.93 billion to international equity, and $941 million to bond index funds. Over the past 12 months, ETF assets increased $110.99 billion, or 34.4%. Assets in domestic equity ETFs increased $64.08 billion since February 2006 while global equity ETFs rose $40.43 billion during this period.

Equity Mutual Fund Net Flows



Equity Funds Cash
as a Percent of Total Net Assets

ETF Asset Growth



Data provided by the Investment Company Institute www.ici.org

Sources: Lehman Brothers, J.P. Morgan, Standard & Poor's, Morgan Stanley Capital International, Merrill Lynch, Bloomberg, Frank Russell Company, Salomon Smith Barney, NASDAQ, IMF, NAREIT.

STATISTICAL SUMMARY
As of March 31, 2007

EQUITY MARKETS

US Markets	Total Return Month	3 Mos	YTD
S&P 500	1.12	0.64	0.64
S&P 500/CG Growth	0.93	-0.09	-0.09
S&P 500/CG Value	1.30	1.34	1.34
S&P 400	1.35	5.80	5.80
Russell 1000	1.04	1.22	1.22
Russell 1000 Growth	0.54	1.19	1.19
Russell 1000 Value	1.55	1.25	1.25
Russell 2000	1.07	1.95	1.95
Russell 2000 Growth	0.92	2.47	2.47
Russell 2000 Value	1.21	1.46	1.46
NASDAQ Composite	0.29	0.44	0.44

S&P 500 Sectors	Total Return Month	3 Mos	YTD
Financial	-0.74	-2.84	-2.84
Utilities	4.10	9.26	9.26
Energy	6.11	2.14	2.14
Industrials	0.89	1.10	1.10
Materials	1.90	8.96	8.96
Healthcare	0.28	1.05	1.05
Consumer Staples	1.87	2.16	2.16
Consumer Discretionary	-0.49	-0.73	-0.73
Information Technology	0.57	-0.94	-0.94
Telecommunication Svcs	3.94	7.28	7.28

Sources: Standard & Poor's, Frank Russell Company, Bloomberg, Vestek

Non-US Markets	Total Return Month	3 Mos	YTD
EAFE	2.55	4.08	4.08
EAFE Growth	3.32	4.95	4.95
EAFE Value	1.79	3.21	3.21
AC World Free Ex-US	2.82	3.83	3.83
Japan	-1.32	3.52	3.52
Pacific Ex-Japan	4.59	7.35	7.35
United Kingdom	3.32	3.01	3.01
Europe Ex-UK	3.78	4.30	4.30
Emerging Markets Free	4.02	2.35	2.35

MSCI EAFE Sectors	Total Return Month	3 Mos	YTD
Financials	1.25	2.31	2.31
Utilities	3.74	4.48	4.48
Energy	5.07	-0.50	-0.50
Industrials	3.09	8.95	8.95
Materials	5.89	10.46	10.46
Healthcare	0.34	1.52	1.52
Consumer Staples	5.38	8.10	8.10
Consumer Discretionary	2.42	4.78	4.78
Information Technology	2.08	-0.26	-0.26
Telecommunication Svcs	-0.66	1.46	1.46

Sources: MSCI, Bloomberg, Vestek

FIXED INCOME MARKETS

Key Rates	U. S. Yields 1/31/07	2/28/07	3/31/07	Euro 3/31/07	Japan 3/31/07	U.K. 3/31/07
Overnight	5.25	5.25	5.25	3.75	0.50	5.25
3- Month	5.11	5.13	5.04	3.92	0.59	5.35
2- Year	4.93	4.65	4.58	4.02	0.82	5.44
5- Year	4.80	4.52	4.54	4.02	1.20	5.22
10-Year	4.81	4.57	4.65	4.06	1.66	4.97

Sources: Merrill Lynch, Bloomberg

Sectors	Total Return % Month	3 Mos.	YTD	Mod.Adj. Duration	Weighting Basis Duration	MktVal
LB Universal	0.03	1.59	1.59	4.55	--	--
LB Aggregate	0.00	1.50	1.50	4.50	100.0%	100.0%
LB U.S. Government	0.03	1.44	1.44	4.49	34.1%	34.2%
LB U.S. Credit	-0.48	1.51	1.51	6.08	29.8%	22.0%
LB Mortgage Backed	0.26	1.57	1.57	3.58	30.1%	37.8%
LB Municipal Bond	-0.25	0.81	0.81	6.29	--	--
LB U.S. TIPS	0.24	2.51	2.51	6.52	--	--
ML US HY Master II	0.23	2.72	2.72	4.42	--	--

Sources: Lehman Brothers, Salomon Smith Barney, Bloomberg

Markets/Regions	U.S. Dollars % Month	3-Months	YTD	Local Currency % Month	3-Months	YTD
United States	-0.07	1.42	1.42	---	---	---
WGBI	0.22	1.14	1.14	-0.25	0.49	0.49
WGBI Non-US	0.30	1.09	1.09	-0.29	0.25	0.25
EMBI+	1.14	2.51	2.51	---	---	---
Euro Zone	0.15	0.82	0.82	-0.53	0.03	0.03
United Kingdom	-1.05	-0.65	-0.65	-1.13	-0.86	-0.86
Japan	0.43	1.46	1.46	0.08	0.54	0.54

Sources: Salomon Smith Barney, JP Morgan, Bloomberg

DATA SOURCE ACKNOWLEDGEMENTS AND DISCLAIMERS

American Stock Exchange, Amex are registered service/trademarks of American Stock Exchange LLC. © Copyright 2007 American Stock Exchange LLC. All rights reserved.

The Bank of New York, The Bank of New York ADR Index℠, The Bank of New York are registered trademarks and service marks of The Bank of New York Company, Inc. Copyright © 2001 – 2007, The Bank of New York Company, Inc. All Rights Reserved.

BanxQuote is a registered trademark and service mark of BanxCorp.

Bloomberg L.P., © 2007 Bloomberg L.P. All rights reserved. BLOOMBERG, BLOOMERG PROFESSIONAL, BLOOMBERG FINANCIAL MARKETS, BLOOMBERG NEWS, BLOOMBERG TRADEMARK, BLOOMBERG BONDTRADER, AND BLOOMBERG TELEVISION are trademarks and service marks of Bloomberg L.P. a Delaware Limited Partnership.

British Bankers' Association, BBA Libor is a registered trademark of BBA. "BBA" and logo are trademarks of BBA. © 1998 – 2007 British Bankers' Association & BBA Enterprises Ltd. All Rights Reserved.

CITIGROUP GLOBAL MARKETS (formerly SALOMON SMITH BARNEY): Smith Barney℠ and Citigroup Global Equity Index℠ are service marks of Citigroup Inc. "BECAUSE ACCURACY COUNTS®" is a registered service mark of Citigroup Inc. Float Watch© is a trademark of Citigroup Inc. Citigroup Global Equity Index System℠, Citigroup Broad Market Index℠, Citigroup Primary Market Index℠, Citigroup Extended Market Index℠, Citigroup Cap-Range Index℠, Citigroup Internet Index (NIX)℠, Citigroup Style Indices (Growth/Value)℠, Citigroup Property Index℠ are service marks of Citigroup Inc. © 2007 Citigroup Inc. All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and may result in prosecution.

CS First Boston, Copyright © 2007 CREDIT SUISSE GROUP and/or its affiliates. All Rights Reserved.

The Dow Jones Indices are a proprietary product of Dow Jones & Company, Inc. ("Dow Jones"), including without limitation, the Dow Jones Averages, Dow Jones Global Indexes, Dow Jones Titan Indexes, Dow Jones Islamic Market Indexes, Dow Jones STOXX Indexes, Dow Jones Sustainability Indexes and Dow Jones-AIG Commodity Indexes. Copyright © 2007 Dow Jones & Company. All Rights Reserved.

The Dow Jones Wilshire Indexes℠ are calculated, distributed and marketed by Dow Jones & Company, Inc. pursuant to an agreement between Dow Jones and Wilshire and have been licensed for use. All content of the Down Jones Wilshire Indexes℠ © 2007 Dow Jones & Company, Inc. & Wilshire Associates Incorporated.

FT Interactive Data.com™, IDSI™ are trademarks of FT Interactive Data Corporation. ©2007 FT Interactive Data Corporation.

FTSE®, FT-SE®, Footsie® are trademarks of the London Stock Exchange PLC and The Financial Times Limited and are used by FTSE under license. All rights in and to the Indices vest in FTSE and/or its relevant partners.

FTSE NAREIT US Real Estate Index, The FTSE NAREIT US Real Estate Index is calculated by FTSE International Limited (FTSE). All rights in the FTSE NAREIT US Real Estate Index vest in FTSE and the National Association of Real Estate Investment Trusts (NAREIT). FTSE® is a trademark of the London stock Exchange PLC and The Financial Times Limited and is used by FTSE under license. NAREIT® is a trademark of NAREIT. Neither FTSE nor NAREIT nor their licensors shall be liable (including in negligence) for any loss arising out of use of the FTSE NAREIT US Real Estate Index by any person. All data is derived from, and applies only to, publicly traded securities.

FTSE EPRA/NAREIT Global Real Estate Index, FTSE® is a trademark of the London Stock Exchange PLC and The Financial Times Limited and is used by FTSE under license. NAREIT® is the trademark of the national association of Real Estate Investment Trusts and EPRA® is the trademark of the European Public Real Estate Association. The FTSE EPRA/NAREIT Global Real Estate Index Series is calculated by FTSE. All rights in and to the FTSE EPRA/NAREIT Global Real Estate Index Series vest in FTSE and/or its relevant partners. Distribution of FTSE index values and the use of FTSE indices to create financial products requires a license with FTSE.

Global Property Research, 2007 © GPR. Global Property Research is part of Kempen & Co.

GICS, The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and service mark of Morgan Stanley Capital International Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Evaluation Associates. Neither MSCI, S&P nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Goldman Sachs Indices, © Copyright 2007, The Goldman Sachs Group, Inc. - All rights reserved.

HFRI Indices, Source: Hedge Fund Research, Inc., © HFR, Inc. 2007, www.hedgefundresearch.com. All intellectual property rights are the exclusive property of HFR.

IIS Investment Solutions, Inc, PSN Investment Manager Database and PSN Enterprise are products and services licensed to Evaluation Associates. PSN Enterprise, PSN IMD, and its provided data (collectively referred to herein as "IIS Product") are owned by IIS or third party licensors ("Licensors") and are protected by United States copyright law as well as international treaties. IIS grants to EAI a non-exclusive, limited, and non-transferable license to access, disseminate, display and/or utilize the investment manager database collected by PSN, as modified from time to time and provided AS IS collected by PSN investment managers ("PSN IMD"), via EAI's proprietary software and service(s) ("EAI Service").

JP Morgan, "JP Morgan", JPMorgan Chase", "Chase," and the "Octagon Symbol" are registered trademarks of JP Morgan Chase & Co. "MorganMarkets" is a service mark of JP Morgan Chase & Co. Other featured words or symbols used to identify the source of goods and services are the trademarks of JP Morgan Chase & Co. or their respective owners.

KLD - Domini 400 Social Index, © 2007 KLD Research & Analytics, Inc. All rights Reserved. The Domini Social 400 Index is the exclusive property of KLD Research & analytics, Inc. KLD has contracted with Standard & Poor's to maintain and calculate the index. S&P shall have no liability for any errors in calculating the Index. Standard & Poor's is a trademark of The McGraw-Hill Companies, Inc.

The Lehman Indices are a proprietary product of Lehman. Lehman shall maintain exclusive ownership of and rights to the Lehman Indices and that inclusion of the Lehman Indices in this Service shall not be construed to vest in the subscriber any rights with respect to the Indices. The subscriber agrees it will not remove any copyright notice or other notification or trade name or marks of Lehman that may appear in the Lehman Indices and that any reproduction and/or distribution of the Lehman Indices (if authorized) shall contain such notices and/or marks.

The analysis in this report was prepared by Evaluation Associates LLC (EAI), utilizing data from third parties and other sources including but not limited to EAI computer software and selected information in the EAI database. Reasonable care has been taken to assure the accuracy of the data contained herein, and comments are objectively stated and are based on facts gathered in good faith. EAI disclaims responsibility, financial or otherwise, for the accuracy or completeness of this report.

This report and the information contained herein is confidential and cannot be reproduced or redistributed to any party other than the intended recipient(s) without the expressed consent of EAI.

EAI does not intend to benefit any third-party recipient of its work product or create any legal duty from EAI to a third party even if EAI consents to the release of its work product to such third party.